

LEGISLATIVE AFFAIRS COMMITTEE REPORT

The following legislative report is submitted by Darin C. Savage, Chair of the Oklahoma Association of Professional Landmen's Legislative Affairs Committee. You may contact Darin at Ball & Savage, P.A. (405.701.5355 or savage@ballandsavage.com) if you wish to discuss how any of the bills recently signed into law might impact your business.

The first session of the 52nd Oklahoma Legislature concluded at the end of May 2009. During this session, SB 990 which proposed guidelines for online courthouse records has become dormant. Also becoming dormant were SB 615, which proposed to modify the current status of the Transfer on Death (TOD) Deed, and SB 885, which proposed that an unincorporated nonprofit association could own title to and transfer real property. A bill that is dormant will not become law during the current legislative session, but it may resurface for consideration in the next session,

The second session of the 52nd Oklahoma Legislature will start up next year, convening on February 1, 2010.

Below is a list of bills recently signed into law that may be relevant to Oklahoma's energy industry, including SB 610 which creates the new Oklahoma Carbon Capture and Geologic Sequestration Act. If you are interested in any specific measure referenced in this report, you may download a copy of it at <http://www.lsb.state.ok.us>. Furthermore, you may obtain full-text copies of bills by calling the Senate Distribution Office at 405-521-5515. You may pick the copies up at the Capitol or the Bill Distribution Office will mail copies upon request.

BILLS NEWLY SIGNED INTO LAW (2009)

HB1017 HB1017, by Rep. John A. Wright, R-Broken Arrow and Sen. Cliff Aldridge, R-Midwest City, recreates the Scenic Rivers Commission until July 1, 2013. (Amended by House)

Status : Governor Action - Signed

Status Date : 04/13/2009

Principal Authors : John A. Wright(H), Cliff Aldridge(S)

HB1121 HB1121, by Rep. Scott Martin, R-Norman, Rep. Kenneth Miller, R-Edmond, Sen. Mike Johnson, R-Kingfisher, and Sen. David Myers, R-Ponca City, allows the Oklahoma Scenic Rivers Commission to use funds for water quality monitoring, streambank stabilization projects and riparian area protection agreements within the drainage basin of a scenic river that will stop degradation or improve the water quality of a scenic river. (Amended by Senate)

Status : Governor Action - Signed

Status Date : 06/02/2009

Principal Authors : Scott Martin(H), Kenneth Miller(H), Mike Johnson(S), David Myers(S)

HB1266 HB1266, by Rep. Scott Martin, R-Norman, Rep. Kenneth Miller, R-Edmond, Sen. Mike Johnson, R-Kingfisher, and Sen. David Myers, R-Ponca City, sets a budget limitation on the \$11,605,688 state appropriation to the Corporation Commission. It also authorizes the commission to transfer \$250,000 from the Petroleum Storage Tank Indemnity Fund to perform its duties. (Amended by House, Amended by Senate, Emergency Measure, Committee Substitute)

Status : Governor Action - Signed

Status Date : 06/02/2009

Principal Authors : Scott Martin(H), Kenneth Miller(H), Mike Johnson(S), David Myers(S)

HB1347 HB1347, by Rep. Marian Cooksey, R-Edmond and Sen. Clark Jolley, R-Edmond, increases from \$250 to \$500 the value of county property that requires a county to meet certain reporting requirements with respect to the sale of such property.

Status : Governor Action - Signed

Status Date : 04/03/2009

Principal Authors : Marian Cooksey(H), Clark Jolley(S)

HB1482 HB1482, by Rep. Dale DeWitt, R-Braman and Sen. Ron Justice, R-Chickasha, prohibits actions for nuisance from being brought against agricultural activities on farm or ranch land that has lawfully been in operation for two years or more prior to the action. It allows a defendant to recover the aggregate amount of costs and expenses reasonably incurred in connection with defending an action for nuisance in which agricultural activities are alleged to be a nuisance. It stipulates that the bill does not relieve agricultural activities of the duty to abide by state and federal laws, including, but not limited to, the Oklahoma Concentrated Animal Feeding Operations Act and the Oklahoma Registered Poultry Feeding Operations Act. (Amended by Senate, Committee Substitute)

Status : Governor Action - Signed

Status Date : 05/11/2009

Principal Authors : Dale DeWitt(H), Ron Justice(S)

HB1483 HB1483, by Rep. Dale DeWitt, R-Braman and Sen. Ron Justice, R-Chickasha, states that no permit issued by the Oklahoma Water Resources Board to use water outside the state shall impair the ability of the state to meet its obligations under any interstate stream compact or impair or affect the powers, rights or obligations of the United States or those claiming under its authority in, over and to

water apportioned by interstate compacts. It further states that water apportioned to the state by an interstate compact is subject to the right and power of the state. It states that no permit for water use outside the state under an interstate compact can be issued unless authorized by an act of the Legislature. The measure also directs the board, when granting water rights outside the state, to evaluate whether the water could feasibly be transported to alleviate water shortages in the state. It sets forth procedures for filing an application to use water outside the state, including designation of an agent for service of process and 10-year review of approved applications. (Amended by House, Amended by Senate, Emergency Measure)

Status : Governor Action - Signed

Status Date : 06/02/2009

Principal Authors : Dale DeWitt(H), Ron Justice(S)

HB1489 HB1489, by Rep. Dale DeWitt, R-Braman and Sen. Brian Bingman, R-Sapulpa, modifies the apportionment of gross production tax revenue by removing the 2012 sunset date for apportionment of the gross production tax to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund. It also removes the fund from language placing a \$150 million cap on apportionments. The measure also removes the 2011 sunset date for apportionment of funds to the Oklahoma Tourism and Recreation Department Capital Expenditure Revolving Fund and the Oklahoma Conservation Commission Infrastructure Revolving Fund. It also directs certain monies from the Community Water Infrastructure Development Revolving Fund be used for financial assistance loans and grants to public water supply and wastewater systems in Oklahoma and removes the 2011 sunset date for apportionment of monies to the fund. It sets a June 30, 2016, sunset for the new allocations. It also sets a June 30, 2017, sunset date for allocations to the Oklahoma Water Resources Board. The measure also states that up to 30 percent of the Oklahoma Conservation Commission Infrastructure Revolving Fund is to be used for administrative costs, provided that no such funds are used to provide salary increases to employees. (Amended by House, Amended by Senate, Emergency Measure, Committee Substitute)

Status : Governor Action - Signed

Status Date : 05/26/2009

Principal Authors : Dale DeWitt(H), Brian Bingman(S)

HB1780 HB1780, by Rep. Tad Jones, R-Claremore and Sen. Clark Jolley, R-Edmond, modifies language related to the Uniform Unclaimed Property Act, moving from Sept. 1 to July 1 the deadline for persons holding potentially unclaimed or abandoned property to file a report with the State Treasurer's Office. It allows the state treasurer to deduct from the Unclaimed Property Fund costs necessary to retain legal counsel to ensure compliance with the act. The measure authorizes the state treasurer to purchase

services, including legal services, to locate and effect the delivery of property and related owner information in administration of the Uniform Unclaimed Property Act. It exempts purchase of such services from the Oklahoma Central Purchasing Act. It prohibits the state treasurer from paying money to rightful owners or their heirs and assigns an amount that exceeds the reimbursement amount the treasurer receives from the Mineral Owner's Fund attributable to payments from those rightful owners, heirs and assigns. The measure authorizes the state treasurer to purchase software, hardware and associated services related to the control, deposit, disbursement and investment of funds and securities held by the state and exempts such purchases from the Oklahoma Central Purchasing Act. It modifies language related to the types of investments the state treasurer may make, including obligations fully insured or unconditionally guaranteed by the U.S. government. It allows rather than requires the state treasurer to charge and collect certain fees, including a fee on a returned check or electronic debit payment, expenses incurred in managing the state agency and General Revenue Fund blended portfolio and expenses related to separately managed investment portfolios. The measure establishes a July 1, 2010, implementation date for the new fee not more than two-and-one-half base points that can be charged monthly against the average daily balance of a portfolio. It also changes calculation of amounts awarded under the State Land Reimbursement Fund to be based on a percentage of the eligible state-owned land in each county instead of an amount equal to the additional ad valorem tax revenue that the counties would have received from the state land. (Amended by House, Amended by Senate, Emergency Measure)

Status : Governor Action - Signed

Status Date : 06/02/2009

Principal Authors : Tad Jones(H), Clark Jolley(S)

HCR1012 HCR1012, by Rep. Mike Thompson, R-Oklahoma City and Sen. Brian Bingman, R-Sapulpa, declares the Legislature's support for maintaining the exemption of hydraulic fracturing from the provisions of the Safe Drinking Water Act and urges Congress not to pass legislation that removes the exemption.

Status : Secretary of State

Status Date : 04/16/2009

Principal Authors : Mike Thompson(H), Brian Bingman(S)

HCR1019 HCR1019, by Rep. Chris Benge, R-Tulsa and Sen. Brian Bingman, R-Sapulpa, urges the Environmental Protection Agency to act promptly and decisively in revising and streamlining the certification requirements applicable to small volume manufacturers and waiving requirements for recertifying natural gas engine conversion kits if the kit has been previously certified for the model of

vehicle to be converted and neither the kit nor the design and specifications of the model of vehicle to be converted have substantially changed. It also urges the EPA to permit small vehicle manufacturers to include vehicles and engines in a single-engine category and provide additional guidance to such manufacturers regarding the conversion of older models. The resolution also urges the EPA to continue a natural gas vehicle research, development and demonstration funding program within its existing budget and personnel levels.

Status : Secretary of State

Status Date : 05/14/2009

Principal Authors : Chris Benge(H), Brian Bingman(S)

HCR1036 HCR1036, by Rep. Mike Thompson, R-Oklahoma City and Sen. Brian Bingman, R-Sapulpa, urges the U.S. Congress to refrain from reducing or repealing federal tax incentives for the exploration and production of domestic oil and natural gas and to take such action as is necessary to maintain the current tax incentives for the exploration and production of domestic oil and natural gas.

Status : Secretary of State

Status Date : 05/21/2009

Principal Authors : Mike Thompson(H), Brian Bingman(S)

SB0054 SB0054, by Sen. Kenneth Corn, D-Howe and Rep. Neil Brannon, D-Arkoma, exempts discharges or spills during the course of rail transportation from provisions of the Oklahoma Highway Remediation and Cleanup Services Act. It also exempts discharges or spills from stationary facilities or transportation of equipment under control of an electric utility. (Amended by Senate, Emergency Measure, Committee Substitute)

Status : Governor Action - Signed

Status Date : 04/21/2009

Principal Authors : Kenneth Corn(S), Neil Brannon(H)

SB0269 SB0269, by Sen. Brian Crain, R-Tulsa and Rep. John A. Wright, R-Broken Arrow, removes the requirement that county treasurers deposit funds in accounts yielding at least 3 percent annually. It also allows a designated person other than a board member to act as an alternate ex officio member of the Metropolitan Area Planning Commission. (Amended by House, Amended by Senate, Emergency Measure)

Status : Governor Action - Signed

Status Date : 05/22/2009

Principal Authors : Brian Crain(S), John A. Wright(H)

SB0313 SB0313, by Sen. Brian Bingman, R-Sapulpa and Rep. Mike Thompson, R-Oklahoma City, extends the gross production tax exemption on approved oil and gas secondary recovery projects, tertiary recovery projects, horizontally drilled wells, the severance or production of oil and gas from inactive wells, incremental production from any production enhancement projects, workover projects, spudded or reentered wells, and wells located within a three dimensional seismic shoot, until July 2012. (Amended by House, Amended by Senate, Emergency Measure, Committee Substitute)

Status : Governor Action - Signed

Status Date : 05/26/2009

Principal Authors : Brian Bingman(S), Mike Thompson(H)

SB0349 SB0349, by Sen. David Myers, R-Ponca City and Rep. Phil Richardson, R-Minco, allows the Department of Environmental Quality to collect administrative penalties under the Oklahoma Hazardous Waste Management Act. It prohibits recordable notices of permits issued under the act to be extinguished, limited or impaired by application of the Uniform Unclaimed Property Act or other general conveyances. (Emergency Measure)

Status : Governor Action - Signed

Status Date : 04/03/2009

Principal Authors : David Myers(S), Phil Richardson(H)

SB0446 SB0446, by Sen. Brian Bingman, R-Sapulpa and Rep. Phil Richardson, R-Minco, changes reference from "applicant" to "participant" under the Oklahoma Brownfields Voluntary Redevelopment Act and adds a definition of "site characterization." The bill also directs the Department of Environmental Quality to approve site-specific work plans for site characterization, evaluate engineering and institutional controls for function and performance and audit completed projects under the act. It also establishes guidelines for submitting proposals for risk-based remediation of brownfield sites. It allows the department to require the participant to pay reimbursement for reasonable costs for expenses incurred in auditing completed projects to ensure compliance. (Emergency Measure)

Status : Governor Action - Signed

Status Date : 04/14/2009

Principal Authors : Brian Bingman(S), Phil Richardson(H)

SB0610 SB0610, by Sen. David Myers, R-Ponca City and Rep. Weldon Watson, R-Tulsa, creates the Oklahoma Carbon Capture and Geologic Sequestration Act, stating legislative intent that efforts to capture, purify, compress, transport, inject and store or sequester carbon dioxide will enhance the production of oil and natural gas; and in the event that the state establishes a unitization process to support establishment of carbon dioxide sequestration facilities, the Corporation Commission is responsible for regulating all aspects of such process. It designates the Corporation Commission as the agency with exclusive jurisdiction over carbon dioxide sequestration into oil reservoirs, gas reservoirs, coal-bed methane reservoirs and mineral brine reservoirs. It grants the Department of Environmental Quality exclusive jurisdiction over carbon dioxide sequestration facilities involving injection of carbon dioxide for carbon sequestration into all reservoirs other than those under the Corporation Commission's jurisdiction, including deep saline formations, unmineable coal seams, basalt reservoirs, salt domes and non-mineral bearing shales. It directs the Corporation Commission and DEQ to execute a memorandum of understanding to address areas that will require interagency cooperation. It requires operators of carbon dioxide sequestration facilities to obtain a permit unless the operator obtains permission from the appropriate agency under the rules of the federally approved Underground Injection Control Program. It requires permit applicants to give notice to surface and mineral owners. It states that carbon dioxide injected into a sequestration facility is to be considered the personal property of the facility owner. The measure further states that the Oklahoma Carbon Capture and Geologic Sequestration Act does not supersede the provisions of the Oklahoma Carbon Sequestration Enhancement Act, alter incidents of ownership or other rights of owners of mineral estate or adversely affect enhanced oil and gas recovery efforts. It specifies that DEQ does not have any jurisdiction with respect to pipeline transportation of carbon dioxide. (Amended by House, Amended by Senate, Stricken Title, Emergency Measure, Stricken enacting clause, Committee Substitute)

Status : Governor Action - Signed

Status Date : 06/02/2009

Principal Authors : David Myers(S), Weldon Watson(H)

SB0655 SB0655, by Sen. Mike Schulz, R-Altus and Rep. Charles Ortega, R-Altus, modifies language related to the duties of boards of directors of irrigation districts, removing language requiring a vote of the electors before construction of dams and drainage systems, installation of pumps and equipment to recharge underground basins and subbasins and purchasing real property. (Amended by Senate, Emergency Measure, Committee Substitute)

Status : Governor Action - Signed

Status Date : 04/21/2009

Principal Authors : Mike Schulz(S), Charles Ortega(H)

SB0668 SB0668, by Sen. Cliff Aldridge, R-Midwest City and Rep. Gary Banz, R-Midwest City, creates the Oklahoma Energy Independence Act, allowing a board of county commissioners, by resolution, to create a County Energy District Authority. The measure also stipulates that the authorities must establish a time and place for regular meetings, and it outlines duties, including managing and conducting business; securing funding through notes, bonds, lenders or government sources; and authorizing the county to make loans or grants with willing property owners for certain purposes related to renewable energy, energy efficiency, energy audits and incentive programs. It states that the act applies to developed property on which property taxes are paid and on which the property owners are current in the payment of property taxes. It states that any loan under the act constitutes a lien on the property that is the subject of the loan. The measure also allows the authorities to make grants to nonprofit organizations for energy efficiency retrofits on tax-exempt property, requires participating property owners to have energy audits conducted and establishes other requirements for property qualification. The bill also increases from \$250 to \$500 the value of equipment for disposal that must be approved by a resolution of a board of county commissioners. (Amended by Senate, Emergency Measure)

Status : Governor Action - Signed

Status Date : 04/28/2009

Principal Authors : Cliff Aldridge(S), Gary Banz(H)

SB0764 SB0764, by Sen. Patrick Anderson, R-Enid and Rep. Rex Duncan, R-Sand Springs, amends, merges, consolidates and repeals duplicate sections of law. (Emergency Measure)

Status : Governor Action - Signed

Status Date : 03/12/2009


Principal Authors : Patrick Anderson(S), Rex Duncan(H)

SB0833 SB0833, by Sen. Brian Bingman, R-Sapulpa and Rep. Mike Thompson, R-Oklahoma City, requires state agencies to develop an energy efficiency and conservation plan and to designate a person to implement the plan. It states each agency shall designate one person to develop the plan, and it directs the Department of Central Services to assist state agencies, if requested, in developing efficiency and conservation plans. It directs DCS to act as a repository for the efficiency and conservation plans of each agency and to research and use best available methods to aid agencies in implementing their plans. (Amended by House, Amended by Senate)

Status : Governor Action - Signed

Status Date : 05/22/2009


Principal Authors : Brian Bingman(S), Mike Thompson(H)

SB0981  SB0981, by Sen. Mike Mazzei, R-Tulsa and Rep. Jeff Hickman, R-Dacoma, modifies language related to the Oklahoma Uniform Principal and Income Act, modifying the definition of "payment" and providing a definition of "separate fund." It modifies language related to calculation of a payment made from a separate fund to a trust. (Amended by Senate, Committee Substitute)

Status : Governor Action - Signed

Status Date : 04/22/2009


Principal Authors : Mike Mazzei(S), Jeff Hickman(H)

SB0991  SB0991, by Sen. Glenn Coffee, R-Oklahoma City and Rep. Rex Duncan, R-Sand Springs, modifies language related to the Uniform Commercial Code, stating that an obligation of good faith does not support an independent cause of action in tort or otherwise for failure to perform or enforce in good faith. It removes language related to the discharge of one party having joint and several liability. The bill modifies language related to enforcement of lost, destroyed or stolen instruments, allowing a person not in possession of the instrument to enforce it if he/she has directly or indirectly acquired ownership of the instrument from a person entitled to enforce it. It modifies language related to instruments signed for accommodation and payment. It removes language related to discharge of secondary obligors and inserts new language, establishing rules for when a person entitled to enforce an instrument releases the obligation of a principal obligor and another party to the instrument is a secondary obligor with respect to the obligation of the principal obligor. It repeals language related to form, formation and readjustment of contract. (Amended by House, Amended by Senate, Committee Substitute)

Status : Governor Action - Signed

Status Date : 05/18/2009


Principal Authors : Glenn Coffee(S), Rex Duncan(H)

SCR0023  SCR0023, by Sen. Cliff Branam, R-Oklahoma City and Rep. Randy McDaniel, R-Edmond, praises the life of the late John Nichols for his lasting contributions to the energy industry in the state, nation and world and for his civic leadership, community spirit and generosity. It also recognizes the integrity, innovation and entrepreneurship, which were a reflection of Nichols' character.

Status : Secretary of State

Status Date : 05/07/2009

Principal Authors : Cliff Branam(S), Randy McDaniel(H)

SR0015  SR0015, by Sen. Cliff Branam, R-Oklahoma City, praises the life and career of the late Oklahoma oilman J. Walter Duncan Jr. and mourns his loss.

Status : Secretary of State

Status Date : 02/25/2009

Principal Authors : Cliff Branan(S)